UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

23 DEC 2005

Dr. Roger Westman, Manager
Air Quality Program
Allegheny County Health Department
301 39th Street
Pittsburgh, PA 15201

Re: Clean Air Act Notice of Violation For Eastman Company and Hercules Incorporated, Docket No. CAA-III-06-011

Dear Dr. Westman:

The United States Environmental Protection Agency ("EPA") Region III has determined that the subject companies have failed to comply with certain requirements in Allegheny County Health Department's State Implementation Plan at 40 CFR Part 52 Subpart NN Section 52.2020(c) for the facility located in West Elizabeth Pennsylvania. Enclosed please find a copy of a Notice of Violation ("NOV") issued by EPA pursuant to Section 113 (a)(1) of the Clean Air Act ("CAA"), 42 U.S.C. Section 7401 et seq. The Respondents are afforded an opportunity to confer with EPA concerning this NOV and may contact Dianne Mc Nally, or Dennis Abraham of the EPA staff at (215) 814-3297 or (215) 814-5214 respectively, to request a conference.

If you have any questions concerning this matter, please feel free to contact Christopher B. Pilla of the Air Protection Division staff, at (215) 814-3438.

Sincerely,

Judith M. Katz, Director
Air Protection Division

Enclosure

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

23 DEC 2005

Mr. Thomas H. Strang
Vice President, Safety, Health, Environment, Regulatory Affairs and Manufacturing Excellence
Hercules Incorporated
1313 North Market Street
Wilmington, DE 19894-0001

Re: Clean Air Act Notice of Violation For Eastman Company and Hercules Incorporated, Docket No. CAA-III-06-011

Dear Mr. Strang:

The United States Environmental Protection Agency ("EPA") Region III is submitting this Notice of Violation ("NOV") to Hercules Incorporated in regard to the March 2001 and November 2004 EPA inspections conducted at the West Elizabeth, PA facility which was previously owned by Hercules Incorporated. The purpose of the inspections was to assess compliance with the Clean Air Act. Based on the inspections, EPA has determined that Hercules Incorporated has failed to comply with certain requirements in Allegheny County Health Department's State Implementation Plan at 40 CFR Part 52 Subpart NN Section 52.2020(c).

To schedule a settlement conference, or if you have any questions concerning this matter, please contact Ms. Dianne McNally, at (215) 814-3297. If you are represented by counsel in this matter and wish to have your counsel call EPA, please contact Mr. Dennis Abraham, at (215) 814-5214.

Sincerely,

Judith M. Katz, Director
Air Protection Division

Enclosures

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

23 DEC 2005

Mr. William C. Hendon
Manager, Safety, Environmental & Security
Eastman Company
State Highway 837
P.O. Box 567
West Elizabeth, PA 15088-0567

Re: Clean Air Act Notice of Violation For Eastman Company and Hercules Incorporated, Docket No. CAA-III-06-011

Dear Mr. Hendon:

The United States Environmental Protection Agency ("EPA") Region III is submitting this Notice of Violation ("NOV") to Eastman Company in regard to the March 2001 and November 2004 EPA inspections conducted at the West Elizabeth, PA facility. The purpose of the inspections were to assess Eastman Company's compliance with the Clean Air Act. Based on the inspections, EPA has determined that Eastman Company has failed to comply with certain requirements in Allegheny County Health Department's State Implementation Plan at 40 CFR Part 52 Subpart NN Section 52.2020(c).

To schedule a settlement conference, or if you have any questions concerning this matter, please contact Ms. Dianne McNally, at (215) 814-3297. If you are represented by counsel in this matter and wish to have your counsel call EPA, please contact Mr. Dennis Abraham, at (215) 814-5214.

Sincerely,

Judith M. Katz, Director
Air Protection Division

Enclosures

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, PA 19103

In the Matter of:	:	
	:	**NOTICE OF VIOLATION**
Eastman Company	:	
State Highway 837	:	**Docket No.** CAA-III-06-011
P.O. Box 567	:	
West Elizabeth, PA 15088-0567		
Hercules Incorporated	:	
1313 North Market Street	:	
Wilmington, DE 19894-0001	:	

I. STATUTORY AUTHORITY

This Notice of Violation ("NOV") is issued pursuant to Section 113(a)(1) of the Clean Air Act ("CAA" or the "Act"). Section 113(a)(1) of the Act requires the Administrator of the United States Environmental Protection Agency ("EPA" or the "Agency") to notify a person in violation of any requirement or prohibition of an applicable implementation plan or permit, and the State in which the plan applies of such violation.

EPA hereby issues this NOV to Eastman Company and Hercules Incorporated for violations of: 40 CFR Part 52 Subpart NN Section 52.2020(c)(2), which includes Allegheny County Health Department's regulations incorporated into the State Implementation Plan (SIP). These regulations include requirements for installation permits for newly constructed, reconstructed and modified units and Reasonably Achievable Control Technology (RACT) requirements for existing units.

The authority to issue this NOV has been delegated to the Director of EPA Region III's Air Protection Division.

II. APPLICABLE STATUTES AND REGULATIONS

A. Installation and Operating Permits

1. In accordance with 40 CFR Part 52 Subpart NN Section 52.2020(c), certain sections of Article XXI, Rules and Regulations of Allegheny County Health Department (ACHD), Air Pollution Control and certain sections of Article XX, Rules and Regulations of ACHD, Air Pollution Control require major sources of volatile organic compounds to

obtain permits for construction, reconstruction, and modifications, including § 2106.06a.2., requiring permits for incremental construction.

2. Eastman Company owns and/or operates the Facility, which is a hydrocarbon resin manufacturing plant, located on 50 acres on the banks of the Monongahela River in Jefferson Borough, West Elizabeth, PA. Hydrocarbon resins are thermoplastic polymers derived from petroleum distillates and a wide variety of pure monomers. The facility receives and transports shipments of chemicals and products via tank trucks, rail cars, barges, motor freight, semi-bulk containers and drums.

3. The Facility is a major source, as defined by Article XXI, Rules and Regulations of ACHD, Air Pollution Control § 2101.20 I., of volatile organic compounds (VOCs).

4. The Facility is located in Southwestern Pennsylvania, Allegheny County which was classified as a moderate ozone (1 hour) non-attainment area in the northeast ozone transport region. The County was redesignated on June 15, 2005 as a basic nonattainment for the 8-hour ozone standard.

5. Installation Permit 93-I-0012-P, issued to the Facility on July 30, 1993, limits the total Volatile Organic Compound (VOC) emissions from the Water White Polymerization Unit to 8 tons per year (tpy). This permit also requires that the exhaust gas temperature at the outlet of each of the newly installed condensers for the feed dryer and storage tanks not exceed 50 °F (Fahrenheit).

6. Installation Permit 3019006-000-52902, issued to the Facility on November 14, 1991, requires the outlet gas temperature from the Feed Dryer vent condenser and the Filter vent condenser to not exceed 100° F.

7. Installation Permit 0058-I004, issued to the Facility on June 11, 1997, limits VOC emissions from the Water White Poly Unit's combined north and south reactor vents and the neutralizer vent to 7.0 tpy and 5.1 tpy, respectively. This permit requires that the outlet coolant temperature on the condensers installed on these vents not exceed 50° F.

8. Installation Permit 94-I-0069-P, issued to the Facility on April 13, 1995, limits VOC emissions from the MP Poly Unit to 62.6 tpy. This permit requires that the temperature of the effluent gas from the water-cooled condenser serving the calcium chloride dryer, the reactor and the neutralizer not exceed 110° F and that temperature of the effluent gas from the brine-cooled condenser serving the alumina dryer, the preblend/soaker, the Funda Filter, the solvent wash tank, the heel tank and the filtrate receiver not exceed 40° F.

9. Installation Permit 0058-I001, issued to the Facility on April 3, 1996 and amended August 20, 1999, limits VOC emissions from the Thermal Poly Unit to 21.7 tpy. The

permit requires that the temperature of outlet coolant in all refrigerated condensers not exceed 40° F.

10. Installation Permit 0058-I001, issued to the Facility on April 3, 1996 and amended August 20, 1999, limits VOC emissions from the Hydrogenation Unit to 143.5 tpy and from the Hydrogenation Unit autoclave vent condenser to 90.8 tpy. This permit requires that the outlet water temperature from cooling tower water cooled condensers E-200-6, E-401-2, E-402-2 and E-303-2 not exceed ambient temperature plus 5° F but not be required to be less than 50 °F. The permit requires that the outlet coolant temperature from refrigerated condensers E-101-4, E-201-2, E-403-2, E-501-4, E-104-2 and E-160-3 not exceed 40° F.

11. Amended Operating Permit 3019006-002-81607, issued to the Facility on April 22, 1992, limits total VOC emissions from vents from the Feed Tanks T-100 and T-101, Tank T-106, Metering Tank, Tank T-103, Autoclaves 1 & 2, Tank T-104, Product Tanks T-102 and T-105, Optical Brightener Tank, Catalyst Slurry Tank and Precoat Tank in the Hydrogenation Unit to 42 tpy.

12. Installation Permit 94-I-0081-P, issued to the Facility on January 4, 1995, limits VOC emissions from the V-8 Unit's No. 4 flaker to 0.9 tpy.

13. Installation Permit 92-I-0034-P, issued to the Facility on June 4, 1992, limits VOC emissions from the V-8 tanks T-90, T-92, T-93, T-94, T-95, T-96, 8-1-F and 8-1-G to 16,750 pounds per year, limits the VOC emissions from the 1st stage overheads accumulator and the 2nd stage overheads accumulator to 4900 pounds per year each and limits the VOC emissions from tank T-124 to 3800 pounds per year. This permit also requires the outlet gas temperatures from the condensers serving these four emission points to not exceed 100 °F.

14. Installation permit 93-I-001-P, issued to the Facility on January 5, 1995, limits VOC emissions from the LTC #1 and #2 Unit's fume scrubber to 1.7 tpy limit.

B. RACT

15. On September 24, 2001, the Environmental Protection Agency (EPA) approved into the SIP the Allegheny County Health Department (ACHD) Plan Approval Order and Agreement Upon Consent No. 257, issued to Hercules Incorporated on January 14, 1997 and amended on November 1, 1999. This SIP amendment, commonly known as the RACT determination, was promulgated at 40 CFR Part 52 Subpart NN Section 52.2020(c)(166)(i)(B)(3) and (ii).

16. As part of this RACT determination, the facility was required to install various water cooled and refrigerated condensers to reduce volatile organic compound (VOC)

emissions from process units including, but not limited to, the V-8 Polymerization Unit (V-8), the Water White Polymerization (WW Poly) Unit, the MP Polymerization (MP Poly) Unit, the Pilot Plant, the Number 3 LTC Finishing (LTC #3) Unit, the C-5 Polymerization (C-5) Unit, the Numbers 1 and 2 LTC Finishing (LTC #1/2) Units, and the Hydrogenation Unit.

17. This RACT determination required the facility to properly operate and maintain certain water cooled condensers in the V-8 Unit, WW Poly Unit, the MP Poly Unit, the Pilot Plant, the LTC #3 Unit, the C-5 Unit and the LTC #1/2 Units so that the inlet coolant temperatures will not exceed ten degrees Fahrenheit above ambient temperature, except that at no time will the coolant temperature be required to be less than 50° F.

18. This RACT determination requires the facility to properly operate and maintain certain refrigerated condensers in the Hydrogenation Unit, the WW Poly Unit, and the MP Poly Unit so that the inlet coolant temperatures will not exceed 10° C (Centigrade).

19. This RACT determination requires the facility to properly operate and maintain certain refrigerated condensers in the C-5 Unit so that the inlet coolant temperatures will not exceed 0 °F.

20. This RACT determination requires that production and condenser coolant temperatures records be retained.

C. Storage Tank Regulations

21. In accordance with 40 CFR Part 52 Subpart NN Section 52.2020(c), § 2105.12b.2. of Article XXI, Rules and Regulations of ACHD, Air Pollution Control requires that storage tanks greater than 40,000 gallons in volume which contain material with a vapor pressure greater than 1.5 pounds per square inch gauge (psig) be equipped with either an external or internal floating roof or a vapor recovery and disposal system capable of reducing uncontrolled emissions of VOCs by at least 90% by weight. The vapor recovery and disposal system requires compliance testing in accordance with § 2107.04.

22. 40 C.F.R. § 60.112b(a) of NSPS Kb requires an owner or operator of each storage vessel constructed, reconstructed or modified after July 23, 1984 with a design capacity greater than or equal to 151 cubic meters (m^3) containing a volatile organic liquid (VOL) that , as stored, has a maximum true vapor pressure equal to or greater than 5.2 kilopascals (kPa) but less than 76.6 kPa or with a design capacity greater than or equal to 75 m^3 or less than 151 m^3 containing a VOL that, as stored, has a maximum true vapor pressure equal to or greater than 27.6 kPa but less than 76.6 kPa to equip each storage vessel with one of the following: an internal floating roof (40 C.F.R. § 60.112b(a)(1)), an external floating roof (40 C.F.R. § 60.112b(a)(2)), or a closed vent system and control (40 C.F.R. § 60.112b(a)(3)). The closed vent system and control device shall be designed to reduce

inlet VOC emissions by 95 percent.

23. 40 C.F.R. § 60.111b of NSPS Kb defines VOL as any organic liquid which can emit volatile organic compounds (VOC) into the atmosphere except those VOLs that emit only those compounds which the Administrator has determined do not contribute appreciably to the formation of ozone.

24. 40 C.F.R. § 60.111b of NSPS Kb defines maximum true vapor pressure as the equilibrium partial pressure exerted by the stored VOL at the temperature equal to the highest calendar-month average of the VOL storage temperature for VOLs stored above or below the ambient temperature or at the local maximum monthly average temperature as reported by the National Weather Service for VOLs stored at the ambient temperature.

III. FINDINGS

25. EPA is authorized by Section 113 of the Act, 42 U.S.C. Section 7413, to take action to ensure that air pollution sources comply with all Federally-applicable air pollution control requirements. These include requirements promulgated by EPA and those contained in Federally-enforceable State Implementation Plans (SIPs) or permits.

26. Eastman Company, a Delaware corporation, is a "person" as that term is defined by Section 302(e) of the Act, 42 U.S.C. § 7602(e).

27. Hercules Incorporated, a Delaware corporation, is a "person" as that term is defined by Section 302(e) of the Act, 42 U.S.C. §7602(e).

28. Eastman Company acquired ownership of the Facility from Hercules Incorporated on May 1, 2001. Hercules Incorporated retained operational control of the Facility until July 1, 2001.

29. "Company" means both Eastman Company and Hercules Incorporated.

30. On November 18-19, 2004 and March 29-30, 2001, duly authorized EPA inspectors conducted compliance inspections of the Facility, in accordance with Section 114 of the Act. Information provided by the Respondent at the time of the inspections, as well as information provided by Respondent in response to EPA's request made at the time of the 2001 inspection and information provided by Allegheny County Health Department during a file review conducted on November 17, 2004, formed the basis for EPA's issuance of this NOV.

31. The Company constructed new process units, modified several existing process units and installed control equipment on several existing process units during the time period from 1992 until 2004. These activities were regulated under the Allegheny County Health

Department's Article XX and Article XXI, portions of which were approved into the SIP at 40 CFR Part 52 Subpart NN Section 52.2020(c).

32. The Water White (WW) Poly Unit is a batch polymerization process. This process produces hydrocarbon resins from mixtures of pure monomers. This process uses solvents and raw materials containing VOCs.

33. The MP Poly Unit is a polymerization process which can be run in either a batch or continuous mode. Hydrocarbon resins can be produced from either pure monomers or petroleum distillates in this unit. This process uses solvents and raw materials containing VOCs. This process was modified and commenced operation in January 1996.

34. The Thermal Poly Unit is a batch polymerization process which uses VOCs as raw material and solvent. This unit was modified and commenced operation in March 1997. This unit was shutdown in June 2004.

35. The C-5 Unit produces aliphatic hydrocarbon resins via a continuous process. This process uses solvents and raw materials containing VOCs. This process was modified to increase production capacity in Fall 2004. In addition, a thermal oxidizer was installed to replace several refrigerated condensers previously used to control VOCs from several emission sources located in this unit.

36. The Hydrogenation Unit is a batch process used to impart hydrogen onto hydrocarbon resin material manufactured in other areas of the facility, including the Water White Poly Unit, the MP Poly Unit, the Thermal Poly Unit and the C-5 Unit. This process uses solvent containing VOCs. A process modification to increase capacity at this unit commenced operation in January 1997.

37. The LTC #1 and #2 Units are single stage stripping processes. These processes are used to remove solvent from the hydrocarbon resins produced in other areas of the facility, including the WW Poly Unit, the MP Poly Unit, the Thermal Poly Unit and the Hydrogenation Unit. The solvent stripped in these processes contains VOCs.

38. The V-8 process is a finishing process used to separate hydrocarbon resin product from solvents which are used as fuel or recycled. The solvent removed in this process contains VOCs. The V-8 process receives raw material from the Thermal Poly Unit and the MP Poly Unit. This process was shutdown in June 2004.

39. The LTC #3 Unit is a two stage stripping process. This process is used to remove solvent from the hydrocarbon resins produced in other areas of the facility. The solvent stripped in these processes contains VOCs. This unit was shutdown in June 2004.

40. The Pilot Plant Unit is used to test resin formulations and processes. The unit is equipped

to use raw materials and solvents which contain VOCs.

41. At the time of the March 2001 inspection, EPA representatives requested condenser temperature monitoring records for 1999 and 2000. Monitoring records were not kept by The Company for any condenser requiring temperature monitoring under a RACT Order or permit for the months of July 1999, September 1999, October 1999, December 1999, January 2000, and February 2000.

42. Monitoring records for the condenser on tanks T-501 and T-502 (Emission Point S9) at the Hydrogenation Unit were not kept by The Company for January 1999, February 1999, March 1999, April 1999 and May 1999. Monitoring records were not kept by The Company for condensers E401-2 and E-402-2 for January 1999. Monitoring records were not kept by The Company for condenser E-402-2 for June 1999. Monitoring records were not kept for the metering tank condenser (S-004) for September 2000.

43. For the Hydrogenation Unit, the coolant outlet temperature for the condenser on the Autoclave #1 and #2 and the vent tank was 8° C in September 2000 and 8.2° C in November 2000. The coolant outlet temperature for the condenser at emission point S-004 was 8.6° C in September 2000. Permit 0058-I001 requires that the coolant outlet temperatures for these condensers not exceed 4.4° C.

44. For the Hydrogenation Unit, the coolant outlet temperature for the Pre-cooler #1 condenser (E-40102) was 87.5° F in August 1999. Permit 0058-I001 requires that the coolant outlet temperature not exceed 5° F above ambient temperature. Ambient temperature for August 1999 was recorded at 75° F. Therefore, the coolant outlet temperature was required to be below 80 °F. The coolant outlet temperature for this condenser was 109.4° F for June 1999. The ambient temperature was 61° F. The required coolant outlet temperature was 66° F.

45. For the Thermal Poly Unit, the coolant outlet temperature for the condenser on the Reactor and Poly Oil tank (S291) was 8° C in August 2000, the coolant outlet temperature for the condenser on the Solvent Stripper (S293) was 7.9° C in August 2000 and 7.2 in April 2000, the coolant outlet temperature for the condenser on T-373 was 7.8° C in August 2000, the coolant outlet temperature for the condenser on tanks T-377, T-378, and T-379 was 7.8° C in August 2000, the coolant outlet temperature for the condenser on tank T-381 was 7.5 °C in August 2000. Permit 0058-I001 requires that the coolant outlet temperature for these condensers not exceed 4.4° C.

46. For the Water White Poly Unit, the coolant outlet temperature for the condenser on the south reactor (S17) was 24° C in October 2000, 24 °C in September 2000, 24° C in August 2000, and 25° C in July 2000. The coolant outlet temperature for the condenser on the north reactor (S17) was 12° C in October 2000, 14° C in September 2000, 13° C in August 2000, and 11° C in July 2000. Permit 0050-I004 requires that the coolant outlet

temperature for these condensers not exceed 50° F (10° C).

47. For the MP Poly Unit, monitoring records for the outlet gas temperature from the condensers were not maintained in accordance with Installation Permit 94-I-0069-P.

48. For the Hydrogenation Unit, the coolant inlet temperature for the condenser on tanks T-501 and T-502 was 11° C in March 1999 and May 1999. The RACT Order No. 257 requires that this temperature not exceed 10° C.

49. For the V-8 Unit, the coolant inlet temperature for the condenser on the No. 25 agitator (S94) was 11° C (52° F) in March 2000. The required coolant temperature was 50° F (10° F above the ambient temperature of 40° F). In February 1999, the coolant inlet temperature for the condenser on the 1st stage vacuum jet (S77) was 11° C. The RACT Order No. 257 requires that this coolant temperature not exceed 50° F.

50. For the V-8 Unit, the effluent gas temperatures from the condensers serving the tanks T-90, T-92, T-93, T-94, T-95, T-96, 8-1-F and 8-1-G, the 1st stage overheads accumulator, the 2nd stage overheads accumulator tank and T-124 were not maintained in accordance with Installation Permit 92-I-0034-P.

51. For the Pilot Plant, the coolant inlet temperature for the condenser on the reactors (S155) was 25° C (77° F) in January through April 1999. According to the RACT Order No. 257, the required maximum inlet temperature for these time periods ranged from 50° F to 65° F.

52. For the LTC #3 Unit, the coolant inlet temperature for the condenser on the 1st stage vacuum jet (S99) was 18° C (64.4° F) in February 1999. The RACT Order No. 257 requires that this coolant temperature not exceed 50° F for this time period.

53. For the C-5 Unit, the coolant inlet temperature for the condenser on Resin Kettle #8 was 30° C (86° F) for March 2000. The RACT Order No. 257 requires that this coolant temperature not exceed 85° F for this time period. The coolant inlet temperature for this condenser was 20° C (68° F) for March 1999. The RACT Order No. 257 requires that this coolant temperature not exceed 65° F for this time period.

54. For the C-5 Unit, the coolant inlet temperature for the condenser on the reactors, neutralizers and filtrate receiver (S44) was 1° C for August 2000 and October 2000. The RACT Order No. 257 requires that this coolant temperature not exceed 0° C for these time periods.

55. For the C-5 Unit, the coolant inlet temperature for the condenser on the toluene column was 9° C for August 2000. The RACT Order No. 257 requires that this coolant temperature not exceed 0° C for this time period.

56. For the LTC #1/#2 Units, the coolant inlet temperatures for the condensers on the Flasher Feed #1 (S108), the LTC #1 Vacuum Jet (S109) and the LTC #2 Vacuum Jet (S11) were 18° C (64.4° F), 16 °C (60.8° F) and 17° C (62.6° F), respectively, for January 1999. The for August 2000. The RACT Order No. 257 requires that this coolant temperature not exceed 56° F for this time period because the ambient temperature was 46° F.

57. For the Water White Poly Unit, the coolant inlet temperature for the condenser on the south reactor (S17) was 20° C in October 2000, 20° C in September 2000, 20° C in August 2000, and 25° C in July 2000. The RACT Order No. 257 requires that the coolant inlet temperature for this condenser not exceed 10° C.

58. On November 18, 2004, The Company representatives indicated that condenser temperatures at the Water White Poly Unit's filtrate receiver were not routinely monitored and recorded.

59. The RACT Order No. 257 requires inlet coolant temperature monitoring and recording for the Water White Poly Unit's filtrate receiver.

60. On November 18, 2004, at the Water White Poly Unit, the coolant outlet temperature on the condenser serving Tank 67 was 15° C and the coolant outlet temperature for the condenser serving the Recycled Hydrogenated Solvent (RHS) tanks was 14° C. There were no effluent gas temperature gauges on these condensers.

61. On November 18, 2004, the coolant outlet temperature on the condenser at the reactor at the MP Poly Unit was 14° C and the coolant outlet temperature on the condenser at the neutralizer was 16° C. There was no temperature gauge on the coolant outlet of the condenser serving the preblend tank. There were no effluent gas temperature gauges on the reactor, neutralizer or preblend tank. There are no temperature gauges at on the effluent gas or outlet coolant of the refrigerated condenser serving the filtrate receiver.

62. On November 19, 2004, the coolant inlet temperature on the first condenser at the LTC #1 rectification column was 16° C and the coolant outlet temperature was 12° C.

63. On November 19, 2004, the coolant outlet temperature of the refrigerated condenser serving tanks T-102, T-105 and T-106 at the Hydrogenation Unit was 23° C.

64. Total VOC emissions for the Water White Poly unit were 83 tpy, 99 tpy, 83 tpy, 36 tpy and 36 tpy for calender years 1992 through 1998, respectively. Total VOC emissions for the Water White Poly unit were 64.25 tpy, 66.84 tpy, 69.56 tpy and 61.55 tpy for 2000 through 2003, respectively.

65. The annual VOC emissions from the Water White Poly unit's combined reactor vent

were 16.42 tpy, 17.15 tpy, 18.81 tpy and 17.36 tpy for 2000 through 2003, respectively. The annual VOC emissions from the Water White Poly unit's neutralizer vent emissions for 2000 and 2001 were 5.74 tpy and 6.0 tpy.

66. The annual VOC emissions from the Thermal Poly Unit for 2000 were over 110 tpy.

67. The annual VOC emissions from the Hydrogenation Unit were 198 tpy, 230 tpy, 137 tpy, 87 tpy, and 64 tpy for 1994 through 1998, respectively.

68. The annual VOC emissions for the V-8 Unit were 2.8 tpy, 2.7 tpy, 2.7 tpy, and 2.9 tpy for calender years 2000 through 2003, respectively.

69. The annual VOC emissions for the LTC #1 and #2 Units are 3.2 tpy, 3.3 tpy, 3.4 tpy and 3.3 tpy for calender years 2000 through 2003, respectively.

70. Information provided by the Company during the November 2004 inspection indicated that the following tanks have storage capacities above 40,000 gallons and contain material with vapor pressures above 1.5 psig at the storage conditions: T-67, T-68, T-69, T-73, T-75, T-76, T-34, T-35, T-105, T-150, T-160, T-161, T-162, T-501, T-502, T-503, T-504, T-701A, and T-701B.

71. Information provided by the Company during the November 2004 inspection indicated that tank T-14, a 110,152 gallon fixed roof tank with no emissions controls, operates at a maximum storage temperature of 157.73° F and contains low value distillate (LVD). Based on data provided by the Company, LVD has a vapor pressure greater than 1.5 psig at a temperature of 157.73 °F.

IV. VIOLATIONS

Wherefore, the Administrator of EPA finds that the Company is in violation of the installation and operating permits and the SIP for the following reasons:

72. For calendar years 1994-1998 and 2000-2003, The Company exceeded the annual permit limits of 16,000 pounds of volatile organic compounds (VOCs) for the WW Poly Unit as prescribed in Installation Permit 93-I-0012-P, dated July 30, 1993 by at least 20 tpy and as much as 90 tpy.

73. For calender years 2000-2003, The Company exceeded the annual permit limits of 5.1 tpy of VOCs for the neutralizer vent at the WW Poly Unit as prescribed in Installation Permit 0058-I004 by at least 0.6 tpy.

74. For calender year 2000, The Company exceeded the annual permit limit of 21.7 for the Thermal Poly Unit as prescribed in Installation Permit 0058-I001, dated August 20, 1999

by at least 80 tpy.

75. For calendar years 1994-1998, The Company exceeded the annual permit limit of 42 tpy ov VOCs for the Hydrogenation Unit as prescribed in Amended Operating Permit 3019006-002-81607, issued to the Facility on April 22, 1992 by at least 20 tpy.

76. For calender years 2000-2003, The Company exceeded the annual permit limit 0.9 tpy VOCs for the No. 4 flaker at the V-8 Unit as prescribed in Permit 94-I-0081-P by at least 1.8 tpy.

77. The Company failed to monitor the outlet coolant temperature of the condenser serving the filtrate receiver at the Water White Poly Unit in accordance with the permit 0058-I004.

78. The Company failed to monitor the effluent gas temperature on the condensers serving the storage tanks at the WW Poly Unit in accordance with permit 93-I-0012-P.

79. The Company failed to monitor the effluent gas temperature on the condensers serving the reactor, preblend tank and filtrate receiver at the MP Poly Unit in accordance with permit 94-I-0069-P.

80. The Company failed to monitor the effluent gas temperature on the condensers serving the storage tanks and overhead accumulators at the V-8 Unit in accordance with permit 92-I-0034-P.

81. The Company failed to maintain temperature monitoring records for all condensers required by the SIP-approved RACT Order and installation and operating permits for the Hydrogenation Unit, the Thermal Poly Unit, the Water White Unit, and the MP Poly Unit.

82. The Company failed to operate condensers in accordance with the temperature limits set in the installation permits for the Hydrogenation Unit, the Thermal Poly Unit, the Water White Poly Unit and the MP Poly Unit.

83. The Company failed to conduct performance tests on the control devices on the following tanks in accordance with § 2105.12b.2. of Article XXI, Rules and Regulations of ACHD, Air Pollution Control: T-67, T-68, T-69, T-73, T-75, T-76, T-34, T-35, T-105, T-150, T-160, T-161, T-162, T-501, T-502, T-503, T-504, T-701A, and T-701B.

84. The Company failed to install controls on tank T-14 in accordance with § 2105.12b.2. of Article XXI, Rules and Regulations of ACHD, Air Pollution Control.

85. The Company will be presumed to remain in violation until it establishes continuous

compliance with the above requirements.

V. ENFORCEMENT

Section 113(a)(1) of the Act, as amended, 42 U.S.C. § 7413(a)(1), provides that at any time after the expiration of 30 days following the date of the issuance of this NOV, the EPA Administrator, or an EPA official authorized to act as his representative, may, without regard to the period of violation:

> (A) issue an order requiring compliance with the requirements of the state implementation plan or permit, or;
>
> (B) issue an administrative penalty order pursuant to Section 113(d) for civil administrative penalties of up to $32,500 per day of violation[1], or;
>
> (C) bring a civil action pursuant to Section 113(b) for injunctive relief and/or civil penalties of not more than $32,500 per day for each violation.

Section 113(c) of the Act, 42 U.S.C. § 7413(c), further provides for criminal penalties or imprisonment, or both, for any person who knowingly violates any plan or permit requirement more than 30 days after the date of the issuance of a NOV.

Pursuant to Section 306(a) of the Act, 42 U.S.C. § 7606(a), regulations promulgated thereunder at 40 C.F.R. Part 15, and Executive Order 11738, facilities to be utilized in federal contracts, grants and loans must be in full compliance with the Act and all regulations promulgated pursuant thereto. Violation of the Act may result in the subject facility being declared ineligible for participation in any federal contract, grant, or loan.

VI. PENALTY ASSESSMENT CRITERIA

Section 113(e)(1) of the Act, 42 U.S.C. § 7413(e)(1), states that the Administrator or court, as appropriate, in an action for assessment of civil or criminal penalties shall, as appropriate in determining the amount of penalty to be assessed, take into consideration (in addition to such other factors as justice may require) the size of the business, the economic

---

[1] Pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1992, and the Debt Collection Improvement Act of 1996, EPA may assess a civil penalty of up to $32,500 per day per violation of the Act for violations occurring after March 15, 2004. See Civil Monetary Penalty Inflation Adjustment Rule, 69 Fed. Reg. 7121 (2004) (codified at 40 C.F.R. Parts 19 and 27).

impact of the penalty on the business, the violator's full compliance history and good faith efforts to comply, the duration of the violation as established by any credible evidence (including evidence other than the applicable test method), payment by the violator of penalties previously assessed for the same violation, the economic benefit of noncompliance, and the seriousness of the violation.

Section 113(e)(2) of the Act, 42 U.S.C. § 7413(e)(2), allows the court to assess a penalty for each day of violation. For purposes of determining the number of days of violation, where the plaintiff makes a prima facie showing that the conduct or events giving rise to this violation are likely to have continued or recurred past the date of this NOV (or a previously issued air pollution control agency NOV for the same violation), the days of violation shall be presumed to include the date of this NOV (or the previous NOV) and each and every day thereafter until the Company establishes that continuous compliance has been achieved, except to the extent that the Company can prove by the preponderance of the evidence that there were intervening days during which no violation occurred or that the violation was not continuing in nature.

VII. OPPORTUNITY FOR CONFERENCE

The Company may, upon request, confer with EPA to discuss this NOV. If the Company requests a conference with EPA, the Company should be prepared to describe the causes of the violation and to describe any actions the Company may have taken or proposes to take to bring the Facility into compliance. The Company has the right to be represented by counsel.

The Company must submit any request for a conference with EPA within fourteen (14) calender days of receipt of this NOV. A request for a conference with EPA, and/or any inquiries regarding this NOV, should be submitted in writing to:

Dennis M. Abraham
Senior Assistant Regional Counsel
U.S. Environmental Protection Agency, Region III
Office of Regional Counsel (3RC10)
1650 Arch Street
Philadelphia, PA 19103-2029

VIII. EFFECTIVE DATE

This NOV shall be effective immediately upon receipt.

QUESTIONS REGARDING NOV

If you have any questions regarding the issuance of this NOV, you may contact Dianne McNally, Environmental Engineer at (215) 814-3297 or Dennis M. Abraham, Senior Assistant Regional Counsel, at (215) 814-5214.

Judith M. Katz, Director
Air Protection Division

12/22/05
Date

cc: Eastman Company
State Highway 837
P.O. Box 567
West Elizabeth, PA 15088-0567

Hercules Incorporated
1313 North Market Street
Wilmington, DE 19894-0001